

# FRINGE BENEFITS

## FINANCIAL SUMMARY

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	FY 2011 REQUEST	GOVERNOR RECOMMENDS FY 2011
OASDHI Contributions	\$ 156,709,250	\$ 157,362,475	\$ 157,336,934	\$ 164,399,000
Missouri State Employees' Retirement System	250,749,809	256,362,701	276,045,922	287,256,000
Teacher Retirement Contributions	2,915,927	3,540,560	3,540,560	3,540,560
Deferred Compensation	14,671,545	14,755,358	14,751,369	16,107,527
Unemployment Benefits	3,453,713	4,031,684	4,031,684	4,022,288
Missouri Consolidated Health Care Plan	328,719,770	435,000,000	447,233,335	448,120,047
Other Post-Employment Benefits	30,010,018	57,729,172	75,622,172	30,174,172
Workers' Compensation	28,553,084	25,544,782	25,544,782	25,459,632
Other Employer Disbursements	<u>3,483,500</u>	<u>862,002</u>	<u>862,002</u>	<u>862,002</u>
TOTAL	\$ 819,266,616	\$ 955,188,734	\$ 1,004,968,760	\$ 979,941,228
General Revenue Fund	531,421,848	579,070,313	610,888,931	584,842,514
Federal Funds	142,995,920	205,724,256	216,396,858	212,894,534
Other Funds	144,848,848	170,394,165	177,682,971	182,204,180

**FRINGE BENEFITS  
OASDHI CONTRIBUTIONS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
OASDHI Contributions	\$ 150,250,518	\$ 149,974,475	\$ 157,005,000
Highway Patrol OASDHI Contributions	<u>6,458,732</u>	<u>7,388,000</u>	<u>7,394,000</u>
TOTAL	\$ 156,709,250	\$ 157,362,475	\$ 164,399,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	82,721,814	73,903,095	77,529,915
Federal Funds	24,527,801	29,576,915	32,093,084
Other Funds	49,459,635	53,882,465	54,776,001

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on all state employees' salaries.

**Fiscal Year 2011 Governor's Recommendations**

- \$5,456,309 to reflect adjustments in the actual Fiscal Year 2010 expenditure level, including \$2,942,689 general revenue.
- \$2,055,000 for new staff statewide, including \$663,000 general revenue primarily for replacement of positions funded with federal budget stabilization funds.
- \$495,915 to replace federal budget stabilization funds.
- \$15,301 transferred from the Department of Natural Resources.
- (\$495,915) Federal Budget Stabilization Fund core reduction from the Fiscal Year 2010 appropriation level.
- (\$490,085) transferred to various departments to pay fringe costs associated with contractual employees.

**FRINGE BENEFITS**  
**MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTIONS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Missouri State Employees' Retirement System Contribution	\$ 250,749,809	\$ 256,362,701	\$ 287,256,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	168,263,919	158,678,410	175,783,353
Federal Funds	43,958,154	52,158,354	61,485,647
Other Funds	38,527,736	45,525,937	49,987,000

The State of Missouri provides an employer funded retirement program for employees by contributing a specified percentage of members' wages to the Missouri State Employees' Retirement System. The state's contribution includes a payment per month to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

**Fiscal Year 2011 Governor's Recommendations**

- \$17,692,000 for an increased retirement benefit contribution rate, including \$9,784,000 general revenue.
- \$10,714,233 to reflect adjustments in the actual Fiscal Year 2010 expenditure level, including \$6,263,524 general revenue.
- \$3,515,000 for new staff statewide, including \$1,378,000 general revenue primarily for replacement of positions funded with federal budget stabilization funds.
- \$707,353 to replace federal budget stabilization funds.
- \$33,491 transferred from the Department of Natural Resources.
- (\$1,061,425) transferred to various departments to pay fringe costs associated with contractual employees.
- (\$707,353) Federal Budget Stabilization Fund core reduction from the Fiscal Year 2010 appropriation level.

**FRINGE BENEFITS  
TEACHER RETIREMENT CONTRIBUTIONS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Teacher Retirement Contributions	\$ 2,915,927	\$ 3,540,560	\$ 3,540,560
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	2,539,868	2,400,000	2,400,000
Federal Funds	375,227	1,070,000	1,070,000
Other Funds	832	70,560	70,560

Section 104.342, RSMo, provides that the Commissioner of Administration shall monthly requisition and certify the payment of contributions to the Public School Retirement System (PSRS). Authority to transfer and expend these monies is required to comply with statutory provisions. The Department of Elementary and Secondary Education, Department of Mental Health, Department of Social Services, and Department of Corrections employ certified teachers who remain members of the PSRS.

**Fiscal Year 2011 Governor's Recommendations**

Continue funding at the current level.

**FRINGE BENEFITS  
DEFERRED COMPENSATION PROGRAM**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Deferred Compensation	\$ 14,077,185	\$ 14,198,585	\$ 15,387,600
Highway Patrol Deferred Compensation	594,360	556,773	719,927
<b>TOTAL</b>	<b>\$ 14,671,545</b>	<b>\$ 14,755,358</b>	<b>\$ 16,107,527</b>
 <b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	7,280,348	6,969,082	8,099,290
Federal Funds	2,562,746	2,876,149	3,077,310
Other Funds	4,828,451	4,910,127	4,930,927

Sections 105.900 to 105.927, RSMo created the Missouri State Public Employees Deferred Compensation Commission to encourage employees to supplement their Missouri State Employees' Retirement Plan and Social Security. The state currently matches up to \$35 per month of each employee's deferred compensation deposit.

**Fiscal Year 2011 Governor's Recommendations**

- \$1,343,692 to reflect adjustments in the actual Fiscal Year 2010 expenditure level, including \$1,068,614 general revenue.
- \$233,527 for new staff statewide, including \$56,500 general revenue primarily for replacement of positions funded with federal budget stabilization funds.
- \$77,790 to replace federal budget stabilization funds.
- \$2,340 transferred from the Department of Natural Resources.
- (\$230,144) federal and other funds reduction from the Fiscal Year 2010 appropriation level.
- (\$75,036) transferred to various departments to pay fringe costs associated with contractual employees.

**FRINGE BENEFITS  
DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Unemployment Benefits	\$ 3,432,610	\$ 3,861,742	\$ 3,852,346
Highway Patrol Unemployment Benefits	21,103	169,942	169,942
<b>TOTAL</b>	<b>\$ 3,453,713</b>	<b>\$ 4,031,684</b>	<b>\$ 4,022,288</b>
 <b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	1,808,730	1,667,941	1,658,545
Federal Funds	613,795	488,664	488,664
Other Funds	1,031,188	1,875,079	1,875,079

The State of Missouri is required to pay contributions to the Division of Employment Security so unemployment claims may be paid to former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or to reimburse the Division of Employment Security for actual claims paid out to former employees. The State of Missouri utilizes the reimbursement for actual claims paid option. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

**Fiscal Year 2011 Governor's Recommendations**

- \$320 transferred from the Department of Natural Resources.
- (\$9,716) transferred to various departments to pay fringe costs associated with contractual employees.

**FRINGE BENEFITS  
MISSOURI CONSOLIDATED HEALTH CARE PLAN**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Missouri Consolidated Health Care Plan Contributions	\$ 328,719,770	\$ 435,000,000	\$ 448,120,047
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	221,080,566	279,798,218	274,771,677
Federal Funds	64,959,766	98,566,802	108,298,865
Other Funds	42,679,438	56,634,980	65,049,505

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

**Fiscal Year 2011 Governor's Recommendations**

- \$12,620,479 federal and other funds for increased costs to reflect adjustments in the actual Fiscal Year 2010 expenditure level.
- \$5,787,000 for new staff statewide, including \$1,925,000 general revenue primarily for replacement of positions funded with federal budget stabilization funds.
- \$4,341,078 to expand health benefits for dependents with autism diagnoses, including \$2,676,869 general revenue.
- \$65,913 transferred from the Department of Natural Resources.
- \$100 to replace federal budget stabilization funds.
- (\$7,677,316) reduction from the Fiscal Year 2010 appropriation level, including (\$7,677,216) general revenue.
- (\$2,017,207) transferred to various departments to pay fringe costs associated with contractual employees.

**FRINGE BENEFITS  
OTHER POST-EMPLOYMENT BENEFITS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Other Post-Employment Benefits	\$ 30,010,018	\$ 57,729,172	\$ 30,174,172
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	19,931,576	31,055,000	20,000,100
Federal Funds	5,998,431	20,901,155	6,380,964
Other Funds	4,080,011	5,773,017	3,793,108

The State of Missouri is responsible for the prudent management of future liabilities for retiree health care costs. Beginning in Fiscal Year 2008, accounting rules required state governments to account for this liability, which was \$1.3 billion at that time. In order to reduce future liabilities, Missouri maintains an annual pre-funding contribution.

**Fiscal Year 2011 Governor's Recommendations**

- \$100 to replace federal budget stabilization funds.
- (\$27,555,100) reduction from the Fiscal Year 2010 appropriation level, including (\$11,055,000) general revenue.



**FRINGE BENEFITS  
WORKERS' COMPENSATION**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Workers' Compensation	\$ 27,227,034	\$ 24,019,782	\$ 23,934,632
Workers' Compensation/Second Injury Fund Tax	1,326,050	1,525,000	1,525,000
<b>TOTAL</b>	<b>\$ 28,553,084</b>	<b>\$ 25,544,782</b>	<b>\$ 25,459,632</b>
<b>EXPENSE AND EQUIPMENT</b>			
General Revenue Fund	17,144,060	16,371,940	16,030,600
Other Funds	526,604	550,000	500,000
<b>PROGRAM SPECIFIC DISTRIBUTION</b>			
General Revenue Fund	10,650,967	8,226,625	8,569,032
Federal Funds	0	86,217	0
Other Funds	231,453	310,000	360,000
<b>TOTAL</b>			
General Revenue Fund	27,795,027	24,598,565	24,599,632
Federal Funds	0	86,217	0
Other Funds	758,057	860,000	860,000

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

**Fiscal Year 2011 Governor's Recommendations**

- \$86,217 to replace federal budget stabilization funds.
- \$2,900 transferred from the Department of Natural Resources.
- (\$88,050) transferred to various departments to pay fringe costs associated with contractual employees.
- (\$86,217) Federal Budget Stabilization Fund core reduction from the Fiscal Year 2010 appropriation level.

**FRINGE BENEFITS  
OTHER EMPLOYER DISBURSEMENTS**

**FINANCIAL SUMMARY**

	FY 2009 EXPENDITURE	FY 2010 APPROPRIATION	GOVERNOR RECOMMENDS FY 2011
Voluntary Life Insurance	\$ 3,483,500	\$ 862,000	\$ 862,000
Cafeteria Plan Transfer	0	1	1
HR Contingency Transfer	0	1	1
<b>TOTAL</b>	<b>\$ 3,483,500</b>	<b>\$ 862,002</b>	<b>\$ 862,002</b>
 <b>PERSONAL SERVICE</b>			
General Revenue Fund	0	2	2
Other Funds	3,483,500	862,000	862,000

**VOLUNTARY LIFE INSURANCE**

State employees may opt to withhold funds for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by employees.

**Fiscal Year 2011 Governor's Recommendations**

Continue funding at the current level.

**CAFETERIA PLAN TRANSFER**

The state offers a tax reduction plan for state employees who set aside a portion of their salaries for certain expenses such as medical care. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

**Fiscal Year 2011 Governor's Recommendations**

Continue funding at the current level.

**HUMAN RESOURCES CONTINGENCY FUND TRANSFER**

This transfer section ensures that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

**Fiscal Year 2011 Governor's Recommendations**

Continue funding at the current level.